



The SNC Group

International engineering,
procurement and construction services

Annual Report 1975

COVER

In this annual report we salute the men and women who make up The SNC Group. Multicultural and multilingual, coming from all walks of life and many different trades, professions, and disciplines, they reflect the Canadian mosaic. It is their strength, diversity and flexibility that creates the unique character of The SNC Group. It is these qualities, too, that are expressed in our new corporate symbol, shown on the cover.

On peut obtenir des exemplaires français du présent rapport en adressant sa demande de la façon suivante:

Le directeur des Relations publiques

Le Groupe SNC

1550 ouest, boulevard de Maisonneuve
Montréal, Canada H3G 1N2

THE SNC GROUP

Since its foundation as a small consulting firm in 1911, The SNC Group has grown to become one of the largest and most diversified Canadian organizations operating in the project management and engineer-procure-construct field. Today it is represented through some 30 affiliates and subsidiaries in Canada and in several countries abroad.

The markets of The SNC Group reach into every corner of the globe. In its international operations, The SNC Group brings to other countries and continents the benefit of Canada's most advanced technology in such fields as mining and metallurgy; hydroelectric development and dam design; chemicals, petrochemicals and petroleum; telecommunications; nuclear power; environment; soil mechanics; forest products; airports and harbours; pipelines; construction; buildings and industrial design. Around the world The SNC Group carries out feasibility, engineering, socio-economic, management and planning studies.

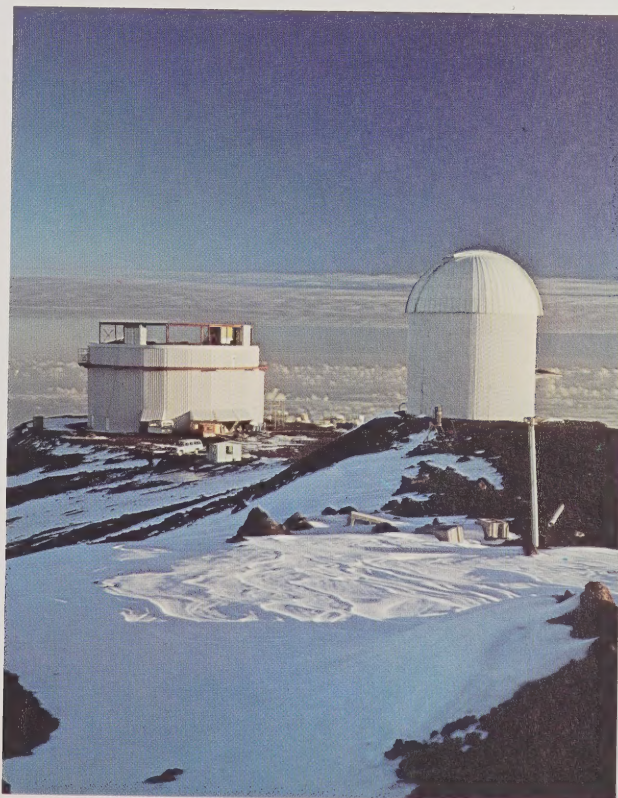
Headquarters of The SNC Group are in Montreal. The company is wholly owned by employees of the Group.

Offices in Canada: Vancouver, Edmonton, Calgary, Toronto, Montreal, Quebec City, Moncton.

Offices Abroad: Algeria, England, Germany, India, Greece, Nigeria, Peru, U.S.

Head Office: 1550 de Maisonneuve Blvd. West,
Montreal H3G 1N2

Telephone: (514) 931-2261; Telex 01-20612; Cable SNCINC



The building for the Canada-France-Hawaii Telescope under construction on Mauna Kea, Hawaii.

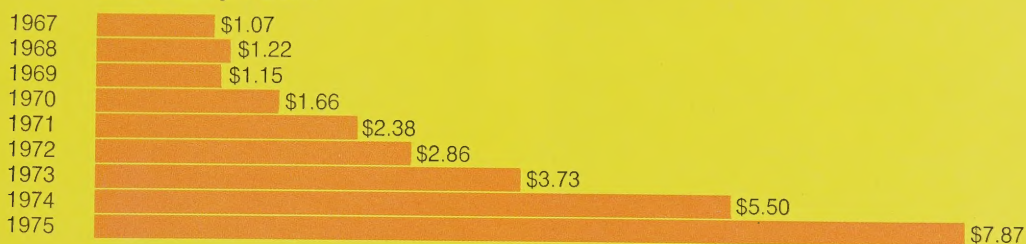


HIGHLIGHTS

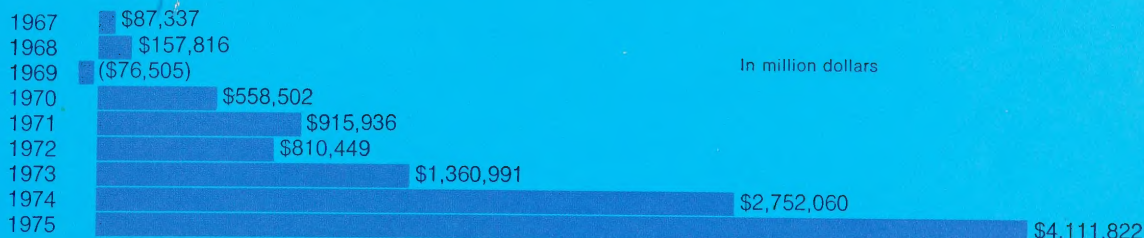
For nine year statistical summary, see inside back cover.

	1975	1974	Increase (%)
Net sales	\$78,394,242	\$61,372,000	27.7
Net income for the year	\$ 4,111,822	\$ 2,752,060	49.4
Earnings per common share	\$2.98	\$2.08	43.3
Return on shareholders' equity	44.26%	44.25%	—
Working capital	\$ 9,749,890	\$ 7,939,194	22.8
Cash flow from operations	\$ 3,912,970	\$ 2,918,055	34.1

Book value per share



Net income



Earnings per common share





Camille A. Dagenais,
Chairman
and Chief Executive Officer



Jean-Paul Gourdeau,
President
and Chief Operating Officer

REPORT TO THE SHAREHOLDERS

Despite retrenchment and uncertainty in the world economy, 1975 was a good year for The SNC Group. We increased our annual sales volume, made significant breakthroughs into new markets, and realized a good profit. It was a year of consolidation. Reflecting the prevailing economic climate, our growth continued on a more gradual curve than in previous years. This gave us an opportunity to realign our forces, to broaden our managerial base and to plan for the future.

Net income for 1975 was \$4,112,000 or \$2.98 per share. This compares to a net income of \$2,752,000 or \$2.08 per share in 1974. Sales in 1975 reached \$78,394,000, an increase of 27.7% over the 1974 sales figure of \$61,372,000. On the sale of professional services we realized an after-tax profit of 8.5% on fees of \$52,680,000.

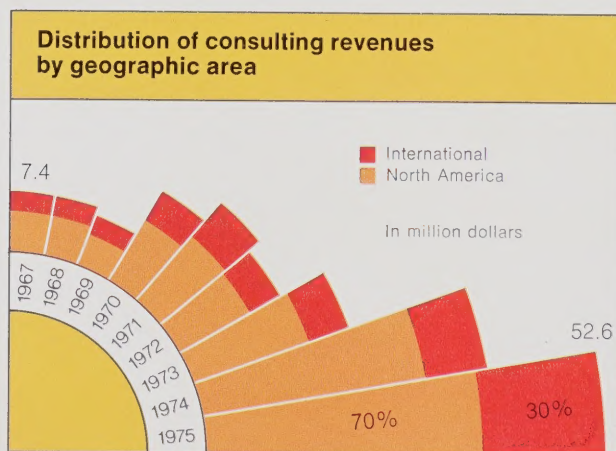
Demonstrating its sustained growth, The SNC Group obtained several important contracts. In Canada, the largest engineer-procure-construct project ever awarded a Canadian firm — for the Texasgulf copper smelter and refinery in Timmins, Ontario — was undertaken. Design of a fatty nitrogen plant in Toronto was begun. The Canadian Broadcasting Corporation awarded a contract for the planning, design and implementation of 44 radio and television stations, serving remote areas, to DGB Ltd. Work continued on two large hydroelectric projects, at Wreck Cove in Nova Scotia and at the LG 3 damsite in Quebec's James Bay development. Construction proceeded on a \$25 million aromatics facility for Sun Oil in Sarnia, Ontario and on SKW's ferro-alloy plant at Bécancour, Quebec. SNC Tottrup Services Ltd. designed the pumping stations for the Sarnia-Montreal pipeline and completed a building board mill in Northern Alberta. Canatom Limited continued work on major nuclear projects at Gentilly, Québec and Pointe Lepreau, New Brunswick.

Spearheading the expansion into the Latin American market foreseen at the end of 1974, work began on the first phase of a steel mill project in Cuba, a 1,000 ton per day cement plant in Ecuador, a major zinc plant expansion and a mineral development program in Peru. Another international breakthrough was CAIM's contract for a new airport at Fujairah in the United Arab Emirates. A power study was undertaken in Malagasy and progress was made on the construction of zinc plants in Kayseri, Turkey and in Bartlesville, Oklahoma.

Through our joint venture with Alcan Engineering Services, AES/SNC Projects, SNC Group teams worked on the design of two 800,000 ton per year alumina plants to be built in Ireland and Spain. A major port study was carried out in Nigeria.

Toward the end of the year two important projects in North Africa were confirmed. The SNC Group's services were retained for engineering and management of two earthfill dams and a spillway at Sidi Saad — part of a long-term flood control, irrigation and regional development program for the Tunisian Government. Following a developing trend in the international market, in December The SNC Group's first turnkey contract was signed for engineering, procurement and construction of a \$60 million Canadian package, comprising services and equipment, for a casting foundry to be built in North Africa. In the coming year the capability to market turnkey projects abroad will be a key factor in the development of The SNC Group.

A number of major projects were handed over to clients. Largest of these was Mirabel International Airport, a CAIM project that went into operation in November. The one million ton per year Meftah Cement Plant in Algeria went into production and United Asbestos' 100,000 ton per year fibre mill in Midlothian Township, Ontario was commissioned. Rehabilitation of the Glace Bay Heavy Water Project in





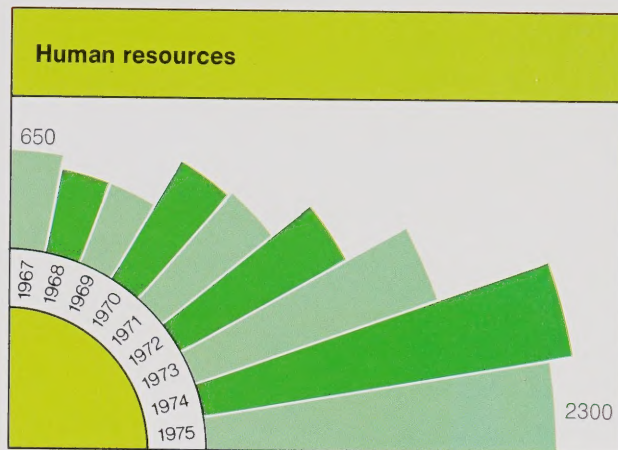
Nova Scotia was completed by Canatom, one of our major affiliated companies.

As part of our plan for wider diversification, SNC/Worley Ltd. was formed to combine expertise in the use and application of modules gained in the North Sea oilfields with The SNC Group's project management capabilities. Based in Calgary, it will serve the oil and gas industry. An interest acquired in Arctec Canada Limited of Montreal gives The SNC Group direct access to arctic research on the frontiers of current technology. With two other engineering firms a new company, Canatrans Ltd., was created. It will specialize in guided ground transport systems, a field with a great potential future on both urban and regional levels.

One of the chief accomplishments in 1975 was a reorganization of top management. Presidential functions were redistributed. As Chairman and Chief Executive Officer, the former president took over the long-range activities and responsibilities of the Group, while the overall operation became the responsibility of the new president. Several vice-presidents were appointed to newly created posts which provide for a greater division of vice-presidential functions. Five vice-presidents with corporate responsibilities report to the Chairman and nine vice-presidents with operating responsibilities report to the President. Thus we have broadened our managerial base to bring many creative younger people into our top management team. It is expected that this restructuring will produce the high degree of flexibility and resilience which we foresee as a need in the years of expansion to come. It will likewise make possible a smooth transition of managerial roles as The SNC Group evolves.

A further organizational change was the establishment of a construction division which brings together the skills needed to play a major and specialized role in our engineer-procure-construct approach. Although the overall performance of Pentagon Construction has been unsatisfactory over the past three years, it has made a reasonably good showing in its Quebec and Maritime operations. In 1976, therefore, we plan to restrict this company's operations to those two regions and evaluate the results at the end of the year.

Among our regional offices, we now have a competent team in Toronto with the resources to tackle large projects. Delays



in the progress of oil and gas projects, however, have prevented our Edmonton office from developing as rapidly as expected. We hope that approval of new projects in 1976 will change this picture for the better. Our German affiliate, Deka, experienced a year of expansion in which a new office was opened in Frankfurt and the staff force increased to provide a base for future growth. Political events in Nigeria during the year had no serious effect on our office there and several major studies were carried out.

A primary aim in 1976 is to strengthen these and other geographic offices or subsidiaries of The SNC Group. We plan to reinforce our representation in the United States and, from a British base, in the European Economic Community, which is now taking shape as a powerful economic force and represents one of the world's most promising potential markets.

We shall continue to gear our organization to meet the demands of a changing and increasingly unpredictable world environment. Technological and managerial excellence are the foundations of our success. We are continuing to strengthen our high technology capability through training, and through hiring a very high level of experts in different fields. We are broadening our scope by putting high priority on start-up, commissioning and plant operations. We plan



to move increasingly into research and development, partly through new acquisitions and selected joint ventures. But we shall concentrate chiefly on maintaining and increasing our internal resources to handle major projects. With this in mind we are devoting increased effort to the development and training of project and product managers.

The SNC Group's broad product and geographic diversity, and the investments we have made in the past five years in developing both general and specific skills and in building up our front end technology, our management and marketing ability, give us the strengths we need to anticipate and to meet the challenges and opportunities of the latter half of this decade. At year's end The SNC Group was at work on projects totalling \$2.4 billion in capital value, of which \$2 billion represents engineer-procure-construct contracts. Our backlog stood at \$86,803,000 in professional fees and \$14,791,000 in construction. If the current signs of an economic up-swing materialize, we expect our performance in 1976 to be as good or better than our showing in 1975.

Submitted on behalf of the board of directors

Chairman
and Chief Executive Officer

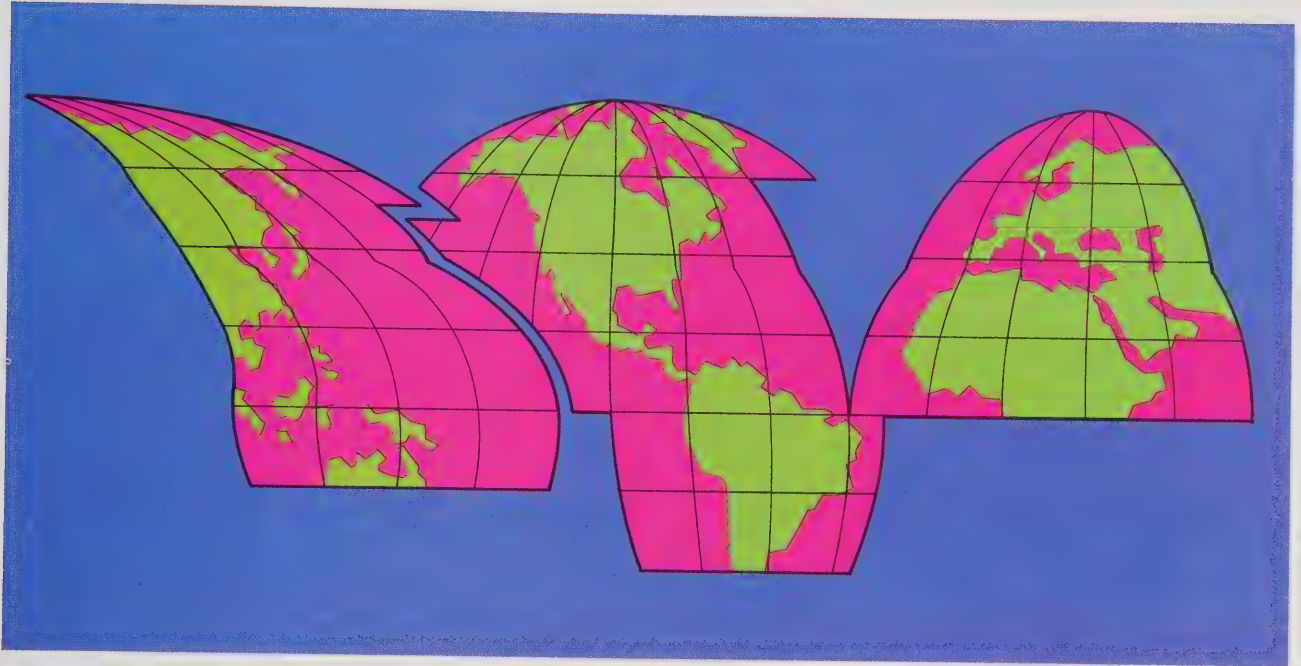
President
and Chief Operating Officer



In Sarnia, Ontario a distillation column for Sun Oil's aromatics facility is delivered. In the North Sea, as part of a Deka project, a gas pipeline from the Ekofisk field is laid.



SNC AROUND THE WORLD



How important the international market is to The SNC Group can be judged from the list of countries where its members contributed to projects or studies in 1975.

Countries

Algeria	Iran	Pakistan
Argentina	Ireland	Peru
Bangladesh	Jamaica	Portugal
Barbados	Japan	South Korea
Cuba	Laos	Spain
Ecuador	Malagasy	Surinam
France	Mauritius	Tunisia
Germany	Mexico	Turkey
Hawaii	Niger	United Arab Emirates
Holland	Nigeria	United States
India	Norway	Zaire

Canadian Provinces

Newfoundland
Nova Scotia
New Brunswick
Quebec
Ontario
Saskatchewan
Alberta
British Columbia
Northwest Territories



THE SNC GROUP
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1975

INCOME

Sales of services —

	1975	1974
Professional fees	\$52,679,970	\$37,289,914
Construction	<u>25,714,272</u>	<u>24,082,086</u>
	78,394,242	61,372,000

Cost of services rendered —

Professional fees	25,631,143	18,737,265
Construction	<u>24,983,227</u>	<u>23,295,751</u>
	50,614,370	42,033,016

Gross income

Administrative, selling and general expenses	27,779,872	19,338,984
Income before income taxes	<u>19,681,551</u>	<u>13,595,651</u>
Income taxes	<u>8,098,321</u>	<u>5,743,333</u>
	3,986,499	2,991,273

Net income for the year

	\$ 4,111,822	\$ 2,752,060
Earnings per common share	\$ 2.98	\$ 2.08
Dividends per share	\$ 0.60	\$ 0.30

RETAINED EARNINGS

Retained earnings, beginning of the year	\$ 5,760,291	\$ 3,403,953
Net income for the year	<u>4,111,822</u>	<u>2,752,060</u>
	9,872,113	6,156,013
Dividends paid	<u>832,586</u>	<u>395,722</u>
Retained earnings, end of the year	\$ 9,039,527	\$ 5,760,291

See accompanying notes

THE SNC GROUP
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1975

ASSETS	1975	1974
Current:		
Cash and short-term deposits	\$ 2,427,392	\$ 1,278,621
Accounts receivable	12,449,661	11,393,100
Contracts in progress at estimated billing value	5,179,389	4,249,988
Equity in joint ventures	875,081	494,221
<i>Total current assets</i>	20,931,523	17,415,930
 Investments in joint ventures	 784,803	 239,024
 Fixed assets at cost less accumulated depreciation	 1,823,065	 1,347,205
 Excess of cost of investments in subsidiary companies over the fair value of underlying net assets at acquisition	 1,567,076	 1,604,191
	 \$25,106,467	 \$20,606,350

See accompanying notes

LIABILITIES AND SHAREHOLDERS' EQUITY**1975****1974****Current:**

Accounts payable and accrued charges	\$ 7,029,561	\$ 5,571,370
Income and other taxes payable	2,470,567	2,705,113
Instalments on long-term debt due within one year	285,000	290,000
Advances under contracts and deferred income	1,396,505	910,253
	11,181,633	9,476,736
Deferred income taxes	2,805,432	3,235,791
<i>Total current liabilities including deferred income taxes</i>	13,987,065	12,712,527

Long-term debt (note 3)**125,000**

310,000

Shareholders' equity:

Share capital —		
<i>Authorized:</i>		
100,000 6% non-cumulative preferred shares of \$10 par value each, redeemable at the amount paid up thereon		
1,500,000 common shares without par value		
<i>Issued and outstanding:</i>		
1,397,293 common shares (1,377,943 in 1974)	1,954,875	1,823,532
Retained earnings	9,039,527	5,760,291
<i>Total Shareholders' equity</i>	10,994,402	7,583,823
	\$25,106,467	\$20,606,350

On behalf of the Board

C. A. Dagenais, Director

J. P. Gourdeau, Director

THE SNC GROUP

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED DECEMBER 31, 1975

	1975	1974
Source of funds:		
Operations —		
Net income for the year	\$ 4,111,822	\$ 2,752,060
Add (deduct) items not involving a flow of funds:		
Depreciation and amortization	509,667	338,251
Increase (decrease) of deferred income taxes	(430,359)	111,112
(Decrease) in non-current portion of deferred income	—	(200,000)
Share in earnings of joint ventures	(1,454,617)	(281,705)
<i>Total funds from operations</i>	<u>2,736,513</u>	<u>2,719,718</u>
Dividends and advances from joint ventures	1,176,457	198,337
Issuance of capital stock	131,343	373,764
Long term debt	100,000	—
	<u>4,144,313</u>	<u>3,291,819</u>
Application of funds:		
Purchase of a business	—	540,940
Increase in investments in joint ventures	267,619	—
Repayments of long term debt	285,000	40,000
Purchase of fixed assets — net	948,412	794,141
Dividends paid	832,586	395,722
	<u>2,333,617</u>	<u>1,770,803</u>
Increase in working capital	<u>1,810,696</u>	<u>1,521,016</u>
Working capital, beginning of year	<u>7,939,194</u>	<u>6,418,178</u>
Working capital, end of year	<u>9,749,890</u>	<u>7,939,194</u>
Deferred income taxes	2,805,432	3,235,791
Working capital, end of year, after deduction of deferred income taxes	<u>\$ 6,944,458</u>	<u>\$ 4,703,403</u>

See accompanying notes

THE SNC GROUP
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1975

1. Summary of significant accounting policies

a) Consolidation

The consolidated financial statements are comprised of the accounts of SNC Enterprises Ltd. and of all its subsidiary companies.

b) Accounting for Joint Ventures

The SNC Group uses the equity basis of accounting for its investments in joint ventures, whereby investments are carried on the balance sheet at cost plus their share of income since acquisition, less dividends received. The Group's share of the revenue, expenses and income taxes of joint ventures has been included in the consolidated statement of income.

c) Revenue Recognition on Contracts

Revenue on contracts is recognized on a percentage of completion basis. However, anticipated losses are provided for in the accounts. The SNC Group recognizes expected settlements of claims in determining revenues when particular circumstances of a contract and the nature of the related claims warrant it.

d) Proposals and Selling Expenses

All costs and expenses related to proposals and selling of services are expensed as incurred regardless of the state of negotiations with the prospective client.

e) Amortization of Excess of Cost of Investments in Subsidiary Companies over the Fair Value of Underlying Net Assets at Acquisition.

This excess is amortized over a period of 40 years.

2. Bank loans

Bank loans and lines of credit are guaranteed by a general assignment of accounts receivable.

3. Long term debt

	1975	1974
Balance of purchase price of the assets and business of an engineering firm, 10%, payable by equal instalments.	\$250,000	\$500,000
Balance of purchase price of investment in an engineering firm, non interest bearing, payable by equal instalments from 1977 to 1981	100,000	—
Balance of purchase price of investments, 6%, payable \$25,000 annually	50,000	75,000
7% and 7½ % mortgages, payable \$15,000 annually	10,000	25,000
	<u>410,000</u>	<u>600,000</u>
Less portion included in current liabilities	285,000	290,000
	<u>\$125,000</u>	<u>\$310,000</u>

4. Statutory information

	1975	1974
Remuneration of Directors and Officers		
Number of Directors	18	17
Number of Officers	7	12
Directors who are also officers	5	7
Remuneration of the directors and officers as directors and officers of SNC Enterprises Ltd.	NIL	NIL
Remuneration of the directors as officers of subsidiary companies (principally Surveyer, Nenniger & Chênevert Inc.)	\$991,000	\$994,000

5. Pension plan

As established by actuarial study, the past service obligation of the SNC Group under the pension plan to the benefit of its employees amounted to \$797,000 and is being amortized over a period of 17 years from January 1, 1974, date of inception of the plan.

6. Commitments

During the year, the SNC Group has leased office premises for a twelve-year period from May 1st, 1976. Commitments under long term leases, including this new lease, will amount to \$2,100,000 annually until 1988. In addition, the cost of new leasehold improvements are expected to aggregate \$1,500,000, to be amortized over the term of the lease.

7. Anti-inflation measures

The SNC Group is subject to the Anti-Inflation Act of the Government of Canada and to its regulations restraining remuneration, income, profits and dividends. Management is presently evaluating the effect of the regulations on the operations of The Group.

AUDITORS' REPORT

To the Shareholders of
SNC Enterprises Ltd.:

We have examined the consolidated balance sheet of SNC Enterprises Ltd. and its subsidiary companies as at December 31, 1975 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. For SNC Enterprises Ltd. and its subsidiaries, and those other companies audited by us and accounted for by the equity method in these financial statements, our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For other companies accounted for by the equity method we have relied on the reports of the auditors who have examined their financial statements.

In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1975, and the results of their operations and changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.
Chartered Accountants

Montreal, Canada
February 6, 1976

ITS HUMAN CAPITAL — THE SNC GROUP'S STRENGTH



A professional organization can count no greater strength than the people who work for it. Their knowledge, skill, experience and drive is the product the company markets. Without capable and creative people, such a company has no product to offer. To be successful The SNC Group must be, and is, a people-oriented organization.

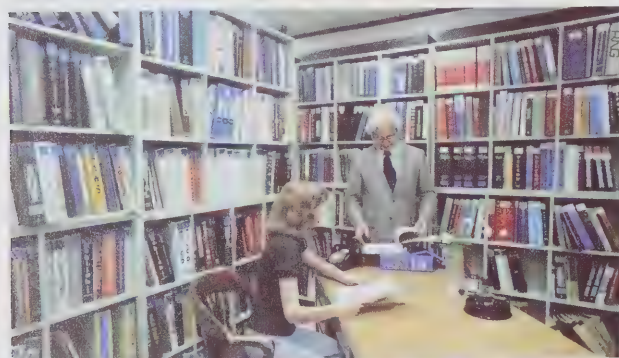
Among the many critical resource problems facing the world today, the main need is for skilled people. A high percentage of SNC Group management effort, therefore, is concentrated on attracting, keeping, training and developing good people and on making the most effective use of their actual and potential abilities. Motivation of the finest type of individual has been the object of on-going study in the firm for many years. From this study it has become apparent that high-calibre people are motivated by intangible rather than by tangible benefits: by such concepts as service and leadership and by opportunities to give of their best in the achievement of excellence. The purpose of the organization has, in the course of the years, been shaped around these factors, for it is felt that this is the key to the motivation of its people. It has been part of a long-range program to encourage people throughout the whole organization to understand and be committed to this purpose, and to personify it in their speech and actions.

Concern for its people, their well-being, growth and opportunity, is written into the policy of The SNC Group. Employee ownership in the company extends to all levels of staff, but as a privilege reserved for individuals who have made an outstanding contribution in their own particular line. In its code of ethics The SNC Group is committed further. "We believe that cultural and linguistic diversities contribute to our strength", the code reads. It adds: "We believe in the

dignity and individuality of every person . . . We believe in the autonomy and identity of individuals and groups within corporate goals . . . We also believe that the greatest opportunity for self-fulfilment results from cooperation and inter-dependence".

On the policy level these beliefs are stated as a guide to The SNC Group's development: "We want to be an organization which demonstrates the value of cooperative effort and synergy through the contribution of many people from different backgrounds and cultures". In actual day-to-day operations, an awareness of relationships between projects, events and people reflects the trend toward integration of services and activities of all kinds, taking such forms as all-inclusive packages and complete responsibility for a project assumed by a single team.





In putting these aims into practice, SNC Group management has built its organizational and operating structure along cooperative and team lines rather than in a hierarchical pyramid. Teams are hand-picked for every project — from the product-oriented divisions concerned, from specialized subsidiaries and from support groups responsible for such things as project management, cost control, procurement or construction. This team in turn draws lateral support from chief engineers and their staffs, whose job it is to see that the quality of all work on SNC Group projects meets the highest standards, and whose wide knowledge of other projects provides rich resources of experience.

Every team member has the opportunity, throughout the life of a project, to make a creative contribution to the overall goal. It is an approach that offers maximum flexibility and cross-fertilization and encourages a high degree of creativity, thus expressing the SNC Group conviction that people are inherently creative and that an organization should foster this natural ability rather than stifling it. It is also an approach that, however rewarding, can be more unwieldy than the traditional one, and much of The SNC Group's organizational effort over the past decade has been devoted to honing it to a fine point as the Group grew in size, diversity and geographical coverage. Flexibility was the key factor in the company's ability to cope with the rapid growth of the early seventies, and no other organization pattern could have succeeded so well in creating it. The approach is working, and it is working to make every SNC project a total co-operative effort of The SNC Group team. It is building an organization of multi-disciplinary innovators in technology, techniques and structures. It is realizing the SNC Group goal of accomplishing social, physical, environmental, financial and political objectives by treating all as an integral system.

Who, then, are the men and women on The SNC Group team? They number over 2,000, and are drawn from 77 national origins. They come from North and South America, the Caribbean Islands, Europe, Africa, Asia and Australia. Most of them speak at least two languages. They come from all walks of life. Though the majority are engineers, technicians or draftspeople, many other professions play an equally significant role in The SNC Group. Among these the Group counts geologists, agronomists, economists, geographers, cyberneticians, computer specialists, mathematicians, soil

technicians, managers, estimators, builders, chemists, ecologists, biologists, architects, urban planners, linguists and translators, communicators, lawyers, administrators, financial experts, accountants, cost controllers, industrial relations specialists, purchasers and laboratory technicians. Plus all the people whose specialized skills and trades support the work of the other team members.

This adds up to a many-faceted organization in which these men and women contribute from their individual strengths and viewpoints to the success of the whole SNC Group. The polyglot, cosmopolitan nature of the staff creates a lively and stimulating working climate. The SNC Group is a true composite of the unique character and technological capability of Canada itself, and this has been a prime factor in building it into one of the largest Canadian companies of its type on the national and international scene.

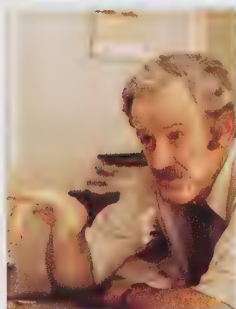
It has been of paramount importance in the growth of the company's international prestige, for it has enabled The SNC Group to go into almost any country counting on some members of its staff who can speak the language and who understand the culture. Not only employees, but their families, have repeatedly demonstrated the willingness and the flexibility to change the patterns of their lives and to go to live in other regions or countries, often in harsh climates or isolated places, to work on SNC Group projects. This, in turn, has brought cultural enrichment to the whole body of people who make up The SNC Group. Their work has taken them to the Canadian Arctic, the deserts of North Africa and the Middle East, the tropics of India, Africa, Oceania and South America. Each project in a strange setting demands a certain diplomatic skill. They must be prepared to school themselves in the psychology and custom of the region and adapt themselves to it. On their shoulders falls the responsibility of putting into practice The SNC Group's policy of cooperating with local enterprise and the community in any place where the company works. They are, in a very real sense, ambassadors for The SNC Group and for Canada.

On remote project sites, on surveys before a project starts, conventional means of travel often fail. They pack their gear by jeep, landrover and snowmobile, by helicopter and canoe, on horseback or on foot. They have scaled the Rockies,

the Andes, the Western Ghats and the volcanoes of Hawaii to build at high altitudes. Those who market their services, who seek out and negotiate new projects, may travel many times around the world in a year.

Side by side with this often glamorous part of the company's operations is the contribution of the men and women who





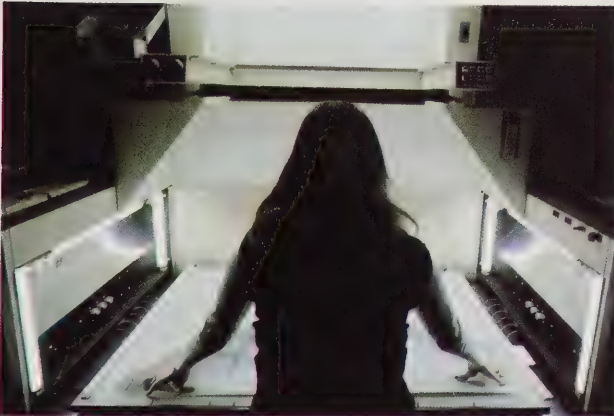
sit at their desks and drawing-boards day after day, making the projects of The SNC Group a reality to be proud of. Responding to the challenge of turning out impeccable work, performing their trades, exercising their skills and professions, they bring their natural talents to bear on the success of the whole and pursue the standards of excellence down to the most minute details. They are the bedrock upon which the reputation of The SNC Group is founded.

These, then, are the people — dynamic, forward-looking and imaginative; but also dedicated, conscientious and striving for excellence in their own fields — who have made The SNC Group what it is today. That is why we have chosen, in this annual report, to focus on these men and women and their skills, professions and experience. They are truly the finest capital an organization can possess. They are The SNC Group.

The names of people whose pictures appear in the annual report are:

Barbara Kovensky, De Quincey Jones, Marcel Côté, Fleurette Radcliffe, Lydia Abad, Marcel Boivin, Mary Hall, Francine Viens, Jean-Paul Legault, Dennis McManus, Gunther Schoof, Micheline Beaucage, Henri Cléroux, Sylvie De Gagné, Roberto Cañete, Suzanne Derouin, Norman Cooke, Jacques Champagne, Marie-José Benza, Fokko Becker, Bert Sauer, Lise Mayer, Richard Quance,

Julia Papucciyan, Richard Bertrand, Jorge Torrealba, Joanne Poitras, Pierre Durocher, Sab Watanabe, Hazel Franco, Bert Reazin, Jim Haley, Sebastian Herczlg, Suzanne Turgeon, Antoine Djenandji, Lilianne Demers, Keith Bridger, Lois Smith, Bertrand Rioux, Rita Robert, Louise Verhoeven, Antonio Gatien, Marcel Ayotte, Henri Perrault, Jacques Simon, André Gilbert, Philip Sacré, Jacques Lefebvre, Tom Ross, Jean-Guy Dionne, Jules Chevrier, Mohammed Sourour, Réjean Rioux, Doris Shore, De Quincey Jones, Derek Klotz, Ileana Vasiliu, Iván Casanegra, Paulette Forgue, Luigi Somma.



BOARD OF DIRECTORS

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Vice-President, Project Services
SNC Enterprises Ltd.

Lionel H. J. Cook
Vice-President, Development
SNC Enterprises Ltd.

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SNC Enterprises Ltd.

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President
Reprotech Ltd.

Bruce W. Forrest
President
SNC/GECO Ltd.

Pierre Fortier
Vice-President, Operations
Canatom Limited

*Jean-Paul Gourdeau
President and Chief Operating Officer
SNC Enterprises Ltd.

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Vice-President, Finance and Administration
SNC Enterprises Ltd.

*Jack Hahn
Vice-President
SNC Enterprises Ltd.

*Thomas R. Marien
Vice-President, Construction
SNC Enterprises Ltd.

André C. Mongrain
Vice-President, Finance and Administration
Canatom Limited

T. L. Pappucian
Manager of Estimating
SNC Enterprises Ltd.

Claude Senneville
Vice-President
SNC International Ltd.

Raymond A. Surveyer
Vice-President, Personnel
SNC Enterprises Ltd.

Alexander Taylor
President
Canatom Limited

*E. W. John Turcke
Vice-President
SNC Enterprises Ltd.

*Members of the Executive Committee

AUDITORS

Clarkson, Gordon & Co.

BANKERS

The Royal Bank of Canada
Bank of Montreal

THE SNC GROUP

Holding company

SNC ENTERPRISES LTD.

Subsidiaries

SURVEYER, NENNIGER & CHÊNEVERT INC.

Founder and main company of The SNC Group, providing comprehensive services in engineering, design, procurement and commissioning.

SNC COMPUTATION LTD.

Data processing services.

SNC/GECO LTD.

Comprehensive services in Ontario.
Mining and mineral processing.

SNC INTERNATIONAL LTD.

International financing and corporate development.

SNC LIMITED

Comprehensive services in the U.S.

SNC METALTECH LTD.*

Quality assurance services.

SNC (NIGERIA) LTD.

Comprehensive services in Nigeria.

SNC SERVICES LTD.*

Engineer/procure/construct projects.

SNC TOTTRUP SERVICES LTD.

Comprehensive services in Western Canada.

SNC (U.K.) LTD.

Comprehensive services in Britain.

SNC/WORLEY LTD.

Engineering, procurement, construction and modular design/building for the oil and gas industry.

DEMERS, GORDON, BABY LTD.

Systems engineering and telecommunications.

EXPLORATECH LTD.

Geological, petroleum and mineral investigations.

PENTAGON CONSTRUCTION (1969) CO. LTD.

Construction.

REPROTECH LTD.

Printing and reproduction.

SORÈS INC.

Socio-economic studies; operations and market research.

TERRATECH LTD.

Soil investigations and foundation engineering.

Associated companies

ARCTEC CANADA LIMITED

Applied cold regions research and development.

CANATOM LIMITED

Nuclear power and heavy water.

CANATRANS LTD.

Guided ground transport systems.

CIPM CANADIAN INTERNATIONAL PROJECT MANAGERS LTD.

Large turnkey projects in socialist bloc countries.

DEKA PROJEKT MANAGEMENT UND INGENIEUR GESELLSCHAFT mbH

Comprehensive services in Germany.

ELINCA COMMUNICATIONS LIMITED

Turnkey telecommunications projects.

HELLENIC POWER CONSULTANTS LTD.

Comprehensive services in Greece.

INTERNATIONAL AIRPORT CONSULTANTS OF MONTREAL LTD. (CAIM)

Airports.

NORTHCAN ENGINEERING MANAGEMENT LTD.

Engineer/procure/construct services for pipelines.

SNC-RUST LTD.

Forest products technology.

Joint venture

AES/SNC PROJECTS

Comprehensive services for the aluminum industry.

*Subsidiary of SNC Inc.

NINE YEAR OPERATING AND STATISTICAL SUMMARY*

	1975	1974	1973	
Number of Employees	2,300	2,400	1,700	
Net sales				
— Professional fees	\$52,679,970	\$37,289,914	\$21,033,933	\$1
— Construction	25,714,272	24,082,086	19,703,916	1
	\$78,394,242	\$61,372,000	\$40,737,849	\$3
Income before income taxes				
— Professional fees	\$ 8,789,127	\$ 5,968,525	\$ 2,728,703	\$
— Construction	(690,806)	(225,192)	51,056	
	\$ 8,098,321	\$ 5,743,333	\$ 2,779,759	\$
Income taxes				
— Professional fees	\$ 4,319,499	\$ 3,100,873	\$ 1,390,768	\$
— Construction	(333,000)	(109,600)	28,000	
	\$ 3,986,499	\$ 2,991,273	\$ 1,418,768	\$
Net income for the year				
— Professional fees	\$ 4,469,628	\$ 2,867,652	\$ 1,337,935	\$
— Construction	(357,806)	(115,592)	23,056	
	\$ 4,111,822	\$ 2,752,060	\$ 1,360,991	\$
Earnings per common share	\$2.98	\$2.08	\$1.05	
Return on shareholders' equity	44.26%	44.25%	31.89%	
Book value per share	\$7.87	\$5.50	\$3.73	
Common shares outstanding	1,397,293	1,377,943	1,301,418	
Shareholders' equity	\$10,994,402	\$ 7,583,823	\$ 4,853,721	\$
Working capital	\$ 9,749,890	\$ 7,939,194	\$ 3,293,499	\$
Cash flow from operations	\$ 3,912,970	\$ 2,918,055	\$ 1,319,729	\$

*1967, incorporation of SNC Enterprises Ltd.

1971	1970	1969	1968	1967
00	880	550	550	650
72	\$16,147,150	\$13,352,552	\$6,867,720	\$7,094,699
57	10,734,942	5,016,217	193,032	—
29	\$26,882,092	\$18,368,769	\$7,060,752	\$7,094,699
42	\$ 1,276,877	\$ 1,387,853	\$ 20,158	\$ 436,225
40	754,944	217,618	(62,871)	—
82	\$ 2,031,821	\$ 1,605,471	\$ (42,713)	\$ 436,225
33	\$ 724,885	\$ 963,969	\$ 33,792	\$ 278,409
00	391,000	83,000	—	—
33	\$ 1,115,885	\$ 1,046,969	\$ 33,792	\$ 278,409
09	\$ 551,992	\$ 423,884	\$ (13,634)	\$ 157,816
40	363,944	134,618	(62,871)	—
49	\$ 915,936	\$ 558,502	\$ (76,505)	\$ 157,816
63	\$0.77	\$0.51	\$ (0.07)	\$0.14
89%	39.36%	36.20%	(5.88)%	12.56%
86	\$2.38	\$1.66	\$1.15	\$1.22
92	1,188,732	1,095,106	1,095,106	1,095,106
90	\$ 2,831,818	\$ 1,822,256	\$1,263,754	\$1,340,259
28	\$ 1,607,161	\$ 706,034	\$ 410	\$ 309,367
86	\$ 1,115,893	\$ 1,229,400	\$ 30,688	\$ 323,855
				\$ 279,238

\$1,172,937
 1,095,106
 \$1.07
 7.73%
 \$0.08
\$ 87,337
 —
 \$ 87,337
\$ 323,778
 —
 \$ 323,778
\$ 411,115
 —
 \$ 411,115
\$7,423,306
 —
 \$7,423,306

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